

CITY OF COLORADO SPRINGS TAX GUIDE

USE TAX

DEFINITION

The tax paid or required to be paid by a purchaser for using, storing, distributing or otherwise consuming tangible personal property or taxable services inside the City. In general, if an item is exempt from sales tax, it is exempt from use tax.

In the absence of not having paid sales tax to a licensed vendor, the use tax is levied directly upon the person who purchases the taxable property or services, either within or outside the City, and uses, stores, distributes or consumes the same in the City. The purchaser must make remittance of the tax directly to the City, together with returns showing the purchased articles that are subject to the tax.

EXAMPLES

1. Flux-Air Corporation purchases coffee at a grocery store and did not pay any sales tax. If food is not purchased for home consumption, it is taxable. The company is required to pay use tax.
2. XYZ buys a new computer from an outlet in Chicago. The vendor does not collect any sales tax. XYZ must pay use tax to the City on the purchase price of the computer.

RELATED TAX GUIDE TOPIC

Sales Tax

CS Code Section 2-7-102: LEGISLATIVE INTENT

CS Code Section 2-7-103: GENERAL TERMS AND CONDITIONS A, B & C

CS Code Section 2-7-104: WORDS AND PHRASES DEFINED: USE, CONSUMPTION,
DISTRIBUTION AND STORAGE

CS Code Section 2-7-201: IMPOSITION OF TAX

CS Code Section 2-7-301: LEVY OF TAX IN GENERAL

CS Code Section 2-7-434: SALES OR USE TAX PAID TO ANOTHER CITY; USE TAX
EXEMPTION

CS Code Section 2-7-435: SALES OR USE TAX PAID TO ANOTHER STATE; USE TAX
EXEMPTION

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT CITY OF COLORADO SPRINGS TAX CODE FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE CITY OF COLORADO SPRINGS SALES AND USE TAX ORDINANCE.

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